Hydro One Networks Inc.
7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5721
Cell: (905) 399-5721
Jeffrey.Smith@HydroOne.com

Jeffrey Smith
Director, Regulatory Compliance

BY EMAIL AND RESS

January 21, 2021

Ms. Christine E. Long, Registrar
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long,

EB-2020-0187 – Hydro One Networks Inc. Request for an Exemption from Interval Billing Requirements on Behalf of Orillia Power Distribution Corporation

Please find attached an application by Hydro One Networks Inc. (“Hydro One”), on behalf of Orillia Power Distribution Corporation (“OPDC”), for an exemption from the provisions of the Distribution System Code that require a distributor to bill customers, whose facilities were connected before August 21, 2014 and which have a monthly average peak demand that is greater than 50 kW, for their consumption on an interval basis as of March 31, 2021.

An electronic copy of the interrogatories has been submitted using the Board’s Regulatory Electronic Submission System.

Sincerely,

Jeffrey Smith

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998; AND IN THE MATTER OF an Application by Orillia Power Distribution Corporation for an Order or Orders including an exemption from the provisions of the Distribution System Code requiring distributors to bill customers with a monthly average peak demand of more than 50 kW for their consumption on an interval basis.

SUMMARY OF APPLICATION

1. The Applicant is Orillia Power Distribution Corporation ("OPDC"). OPDC is an Ontario corporation carrying on the business, among other things, of owning and operating electricity distribution facilities in Ontario.

2. The Application is being filed by Hydro One Networks Inc. ("Hydro One") on behalf of OPDC. On April 30, 2020, the Ontario Energy Board ("OEB") issued a Decision and Order approving the acquisition of OPDC by Hydro One Inc. ("HOI"), the parent company of Hydro One, and the transfer of the assets and liabilities of OPDC's electricity distribution business to Hydro One (EB-2018-0270).

3. OPDC requests an exemption from Section 5.1.3 (b) of the Distribution System Code ("DSC") that requires a distributor to bill customers, whose facilities were connected before August 21, 2014 and which have a monthly average peak demand that is greater than 50 kW, for their consumption on an interval basis, as of March 31, 2021.

4. The exemption sought in this Application is for approximately 130 such customer facilities.

5. OPDC requests that the exemption be granted until December 31, 2021. The exemption is being requested to allow OPDC and Hydro One to properly coordinate and complete the

necessary metering and Hydro One billing system changes that are required to bill these customer facilities on an interval basis once OPDC is integrated within Hydro One. The exemption is contingent on Hydro One being able to access and replace the meter at each of these facilities during the ongoing COVID-19 Pandemic.

6. OPDC requests that a proceeding be conducted by way of a written hearing.

7. OPDC also requests that an interim extension be granted on March 31, 2021 if the Board does not issue a decision on or before this date.

1.0 BACKGROUND

On May 21, 2014, the OEB issued a Notice of Amendment to the DSC (EB-2013-0311) requiring distributors to install a MIST meter[1] (referred hereafter as an interval meter) for customer facilities with a monthly average peak demand of over 50 kW (the "DSC Amendments"). Section 5.1.3 (a) of the DSC Amendments required distributors to install an interval meter for any new customer connection with a forecast monthly average peak demand of over 50 kW, as of August 21, 2014. Section 5.1.3 (b) provided distributors with an additional six years (or until August 21, 2020) to implement the metering and billing system changes needed to migrate existing customer facilities with a monthly average peak demand of over 50 kW during the calendar year to interval billing. On July 23, 2020, the OEB granted a temporary exemption to all licensed distributors and extended the implementation date for existing customer facilities to March 31, 2021 (EB-2020-0187).

Since August 21, 2014, OPDC has been installing an interval meter at all new customer facility connections in compliance with Section 5.1.3 (a) of the DSC. Initially, OPDC began deploying General Electric (GE) Aclara kV2c meters at new customer facilities. Meter interval data was

[1] MIST (which is an abbreviation for "Metering Inside the Settlement Timeframe") meter is defined in the DSC as an interval meter from which data is obtained and validated within a designated settlement timeframe.

relayed via a customer phone line to OPDC's settlement provider for billing purposes. These customers pay the Hourly Ontario Energy Price (HOEP) based on the customer's interval data.

In 2018, GE discontinued the Aclara kV2c meter technology. OPDC was fortunate to purchase enough meters from GE's remaining stock to be able to meet its obligations relating to new customer connections based on its near-term projections. Nevertheless, the decision by GE prompted OPDC to re-assess its long-term interval metering strategy. Since OPDC uses SENSUS tower infrastructure, OPDC identified Honeywell's Elster meter as a potential alternative going forward. At the time, this was the only meter equipped with SENSUS ESM radios for data communication. OPDC initiated the process of developing the necessary meter specifications and placed an order for 24 meters in June 2019. OPDC received four (4) First Article Test (FAT) meters in August 2019 to confirm that its meter specifications were met. In early October 2019, the vendor informed OPDC that the shipment for the remaining 20 meters would not be delivered until the end of January 2020. The order delivery was subsequently delayed twice by the vendor and finally arrived on April 15, 2020.

In addition to the supply delays, the receipt of results from SENSUS's propagation study to confirm that OPDC's existing tower infrastructure could support the additional data being communicated from all interval meters was also delayed. OPDC provided the required data to SENSUS to perform the study in September 2019, with the expectation that the study would be completed by the end of December 2019. However, OPDC did not receive the results of the propagation study until April 13, 2020, which did confirm that OPDC's existing SENSUS tower infrastructure was adequate to support the new meters.

Following the receipt of the propagation study and the Elster meter test results in April 2020, OPDC intended to place a final meter order with Honeywell that would allow OPDC to replace the demand meters at all of its existing customer facilities with interval meters and interval bill these accounts before March 31, 2021. OPDC had identified approximately 130 customer facilities whose existing demand meter would need to be replaced with an interval meter. However, before this order could be placed, the OEB issued its decision on April 30, 2020 approving HOI's acquisition of OPDC. As a result of the decision, OPDC was compelled to hold off on proceeding with a final meter order and to begin discussions with Hydro One on how best to integrate OPDC's customer facilities with Hydro One's interval metering and billing system in a cost-effective and timely manner.

After assessing the various options, it was determined that proceeding with OPDC's metering solution for its remaining demand-billed customer facilities would present several complications when these meters are eventually migrated to Hydro One' main billing system. Hydro One determined that the small number of interval-billed OPDC customer accounts could be migrated to Hydro One's complex billing system for the time being. Therefore, in November 2020, following the closing of the acquisition, Hydro One began developing a plan to replace each of OPDC's demand meters with an interval meter that meets Hydro One's specifications.

2. EXEMPTION REQUEST

OPDC is requesting an exemption from the provisions under Section 5.1.3 (b) of the DSC that require a distributor to bill existing customer facilities with a monthly average peak demand of over 50 kW during a calendar year for their consumption on an interval basis, as of March 31, 2021. The exemption is being sought until December 31, 2021 for approximately 130 such customer facilities, which have been identified by OPDC. During the requested exemption period, the identified customer facilities will continue to be billed based on their monthly peak demand and monthly energy consumption (in accordance with their current approved rate structure) until their meters are scheduled for migration to interval billing.

It should be noted that current or future restrictions and protocols implemented as a result of the ongoing COVID-19 Pandemic may prevent Hydro One from gaining access to and replacing the meters at certain existing customer facilities. Hydro One will inform the OEB of any such instances where it is unable to replace the meter during the exemption period.

3. EXEMPTION RATIONALE

On April 30, 2020, the OEB issued its decision approving HOI's acquisition of ODPC. Prior to the decision, OPDC was in the process of placing a meter order that would allow OPDC to replace the demand meters at its existing customer installations with interval meters and comply with Section 5.1.3 (b) of the DSC by March 31, 2021. When the OEB approved the acquisition, the decision was made by OPDC to hold off on placing the order and initiate discussions with Hydro One staff to determine the best approach for transitioning OPDC's customer facilities that are required to be interval billed to Hydro One's billing system.

At the same time, Hydro One was in the process of implementing and testing various changes to its billing system to support the migration of its own demand-billed customers to interval billing. The optimal solution for migrating OPDC's customer facilities would therefore need to consider the additional work and effort required to integrate OPDC's interval meters with Hydro One's billing system. After assessing this option, it was determined that it would be more complicated and take more time to develop a solution to migrate the interval meters selected by OPDC. It was decided that the best approach would be to replace all of OPDC's demand meters with interval meters that meet Hydro One's interval metering standard, following the migration of OPDC's customers to Hydro One's billing system.

As a result, OPDC and Hydro One require additional time to properly coordinate and complete the necessary metering and billing changes to be able to bill OPDC's customer facilities on an interval basis using Hydro One's billing system. Currently, Hydro One is taking steps to ensure that it has sufficient inventory to perform the required interval meter cutovers once all of OPDC's customers are migrated to Hydro One's billing system in June 2021. After these cutovers are complete, Hydro One will begin transitioning these accounts to interval billing. Hydro One expects that it will take until December 31, 2021 to complete all of the activities needed to successfully migrate all of these accounts to interval billing. As mentioned, the ability to complete all of the cutovers is contingent on Hydro One being able to access and replace the meters in spite of the current or any future restrictions and protocols implemented as a result of the ongoing COVID-19 Pandemic.

4. CONCLUSION

OPDC is therefore seeking an exemption from the provisions under Section 5.1.3 (b) of the DSC until December 31, 2021 for approximately 130 identified customer facilities with a monthly average peak demand of over 50 kW. As a result of the approval of HOI's acquisition of OPDC, the exemption is being requested to enable OPDC and Hydro One to properly coordinate and complete the necessary metering and billing changes required to bill these facilities on an interval basis using Hydro One's billing system, as a result of HOI's acquisition of OPDC. The exemption sought is contingent on Hydro One being able to access and replace the meter at these facilities during the ongoing COVID-19 Pandemic.